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For Immediate Release

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Notice of Submission of Application for Approval of Extension of the Deadline for Submission of the Second Quarter Securities Report

Ahresty Corporation ("the Company") hereby announces that it has decided to submit an application for approval of an extension of the deadline for submission of its Quarterly Securities Report, pursuant to Article 17-15-2(1) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc.

1. Quarterly Securities Report covered by application for the extension
Second Quarter Securities Report for Fiscal Year Ending March 31, 2018
2. Deadline before the extension for the submission of the Report
November 14, 2017
3. Deadline if application for the extension is approved
December 5, 2017
4. Reasons for requiring the extension

As announced on November 13, 2017 in the "Notice on Discovery of Error with Consolidated Financial Statements in the Past Fiscal Years," the financial results achieved by our consolidated subsidiary, Ahresty Mexicana, S.A. de C.V., for the second quarter period of the fiscal year ending March 31, 2018 (period ended June 30, 2017) have been reviewed by (Galaz, Yamazaki, Ruiz, Urquiza, S.C.) belonging to the group of Deloitte Touche Tohmatsu LLC, the Company's auditor, and the audit performed for the second quarter has confirmed that there was no material matter to be reported regarding the financial results for the period under review.

However, it was revealed during the course of the audit performed by Deloitte Touche Tohmatsu LLC with respect to the consolidated financial statements for the second quarter of fiscal year ending March 31, 2018 that Ahresty Mexicana, S.A. de C.V., our consolidated subsidiary, had experienced a certain abnormality with tax expenses. Based on the findings during the audit, we checked the situation with the subsidiary in detail and the reasons for the abnormality related to the tax expenses. Our investigation revealed that deferred taxes had been misrepresented in the financial statements of the subsidiary in the past financial years, including the second quarter of fiscal year ending March 31, 2018.

The subsidiary individually prepares its financial statements in accordance with the international accounting standards as part of the steps to prepare consolidated financial statements for the Company. The functional currency

used by the subsidiary is the U.S. dollar. Tax returns for the subsidiary are prepared in terms of Mexican peso, the local currency in Mexico. International Accounting Standard (IAS) 12 – Paragraph 41 must apply to the temporary differences resulting in a taxable income translated from the home currency to the functional currency for the subsidiary in Mexico. It has been confirmed that the IAS rule was misapplied when posting the deferred taxes for the subsidiary.

During the course of consultations with Deloitte Touche Tohmatsu LLC, it was pointed out that the Company should investigate to check if there were any material false representations in the prior year financial statements as soon as the error is identified for the quarter and make appropriate amendments as necessary.

Adjustments have been made retroactively to the Mexican subsidiary's financial statements in order to ensure the accuracy of the relevant data. Based on the retroactive adjustments that have been made to date, it is believed that the beginning balance of consolidated retained earnings for the second quarter of the fiscal year ending March 31, 2018 should have been 2.7 billion yen less than it was previously reported (i.e., the ending balance as at the end of March 2017 should have been 37.3 billion yen, not 40.0 billion yen). Accordingly, net profit attributable to the owners of parent during the quarter should have been 0.8 billion yen higher (i.e., the corresponding profit on a cumulative basis for the first six months of the fiscal year ending March 31, 2018 should have been 1.35 billion yen, not 0.55 billion yen.) We recognize a material significance for the impact of the restatement in terms of value.

Internal efforts are currently underway aimed at identifying the cause of the error for data verification. The Company believes that approximately two weeks will be necessary to finalize the investigation and report. Accordingly, another one week will be necessary for Deloitte Touche Tohmatsu LLC to finish performing an additional audit and complete the review process for the results of the quarter.

Given this situation, the Company has decided to apply for an extension of the submission deadline in view of the substantial restatement work making it difficult for the Company to meet the deadline for submission of its Quarterly Securities Report, pursuant to Article 24-4-7(1) of the Financial Instruments and Exchange Act.

5. Future outlook

The Company will make prompt disclosure as soon as the application to extend the deadline for submission is approved.

We take this opportunity again to sincerely apologize to our shareholders, customers, and other stakeholders for the considerable inconvenience and concerns caused.

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